GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:4091
ANSWERED ON:23.12.2015
Losses due to Freightage Policy
Senguttuvan Shri Balasubramaniam

Will the Minister of RAILWAYS be pleased to state:

(a) whether the Railways follow a Dual Freightage Policy offering concessional tariff for transportation of goods for domestic consumption and non-concessional tariff for transportation of goods meant for export and if so, the details thereof;

(b) whether the non-concessional tariff for transportation of goods is three times higher than the concessional tariff and if so, the details thereof;

(c) whether the CAG has indicated in its report that iron ore meant for export was transported at concessional tariff has caused a loss of Rs. 29000 crores to the Railways and if so, the details thereof;

(d) the steps taken to plug the loop-holes in the tariff rules in order to prevent the unscrupulous exploitation leading to huge losses to the Railways; and

(e) the proactive steps taken by the Railways to recover the loss of Rs. 29000 crores?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS

(SHRI MANOJ SINHA)

(a): No, Madam. Goods transported by Railways are charged on the basis of classification assigned to them. However, there exists a 'dual pricing' regime in the case of transportation of iron ore by rail. Under this dispensation, a Distance Based Charge is levied additionally in the case of iron ore transported by rail for export.
(b): No Madam. In the case of iron ore for export, a Distance Based Charge of ` 300/- per tonne is levied in addition to normal freight rate.
(c): CAG in Report 14 of 2015 has reported that Railways have suffered a loss of ` 29,236.78 crores for transportation of Iron Ore due to partial submission/non submission of documents/submission of invalid documents for transportation of Iron Ore.
(d): Existing provisions are considered adequate for dealing with cases of misleading declarations by delinquent firms. Railway Administration has progressively strengthened its control, monitoring and verification mechanism.
(e): Demand-cum-show cause notices have been served on those who prima facie appear to have submitted misleading declaration regarding the end use of iron ore. Presently, the matter is subjudice in the Hon'ble Supreme Court of India.
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